



Department of Defense

Draft – subject to continuing collaboration and publication of final implementing issuances



***National Security
Personnel System***

Performance Management

February 16, 2006

■ Major Design Changes:

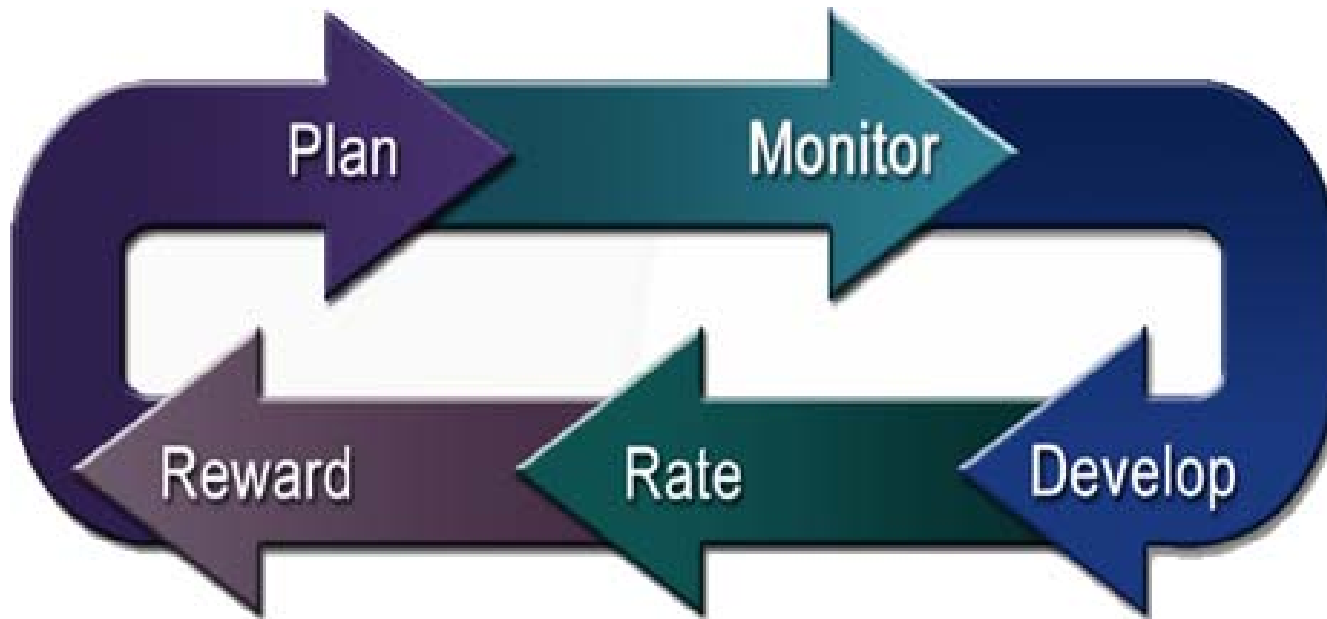
- Job objectives – the “What” – are the primary focus
- Manner of performance – the “How” – influence the objective rating
- Higher level review of job objectives is required
- Requiring that supervisors are rated on at least one supervisory objective
- Use of estimated share value
- Provided the Performance Review Authority with additional responsibility

■ What has not changed:

- Performance expectations will be in writing before holding employees accountable
- All eligible employees will receive a performance plan and rating of record
- Raters will be qualified through training or relevant experience
- Supervisors will be held accountable for their NSPS performance management responsibilities
- 5-level rating system, share ranges, and share-based payout
- Access to Administrative Reconsideration Process or Negotiated Grievance Procedures

■ NSPS Performance Management Cycle

- **Plan** employee performance
- **Monitor** employee performance
- **Develop** employee performance
- **Rate** employee performance
- **Reward** employee performance

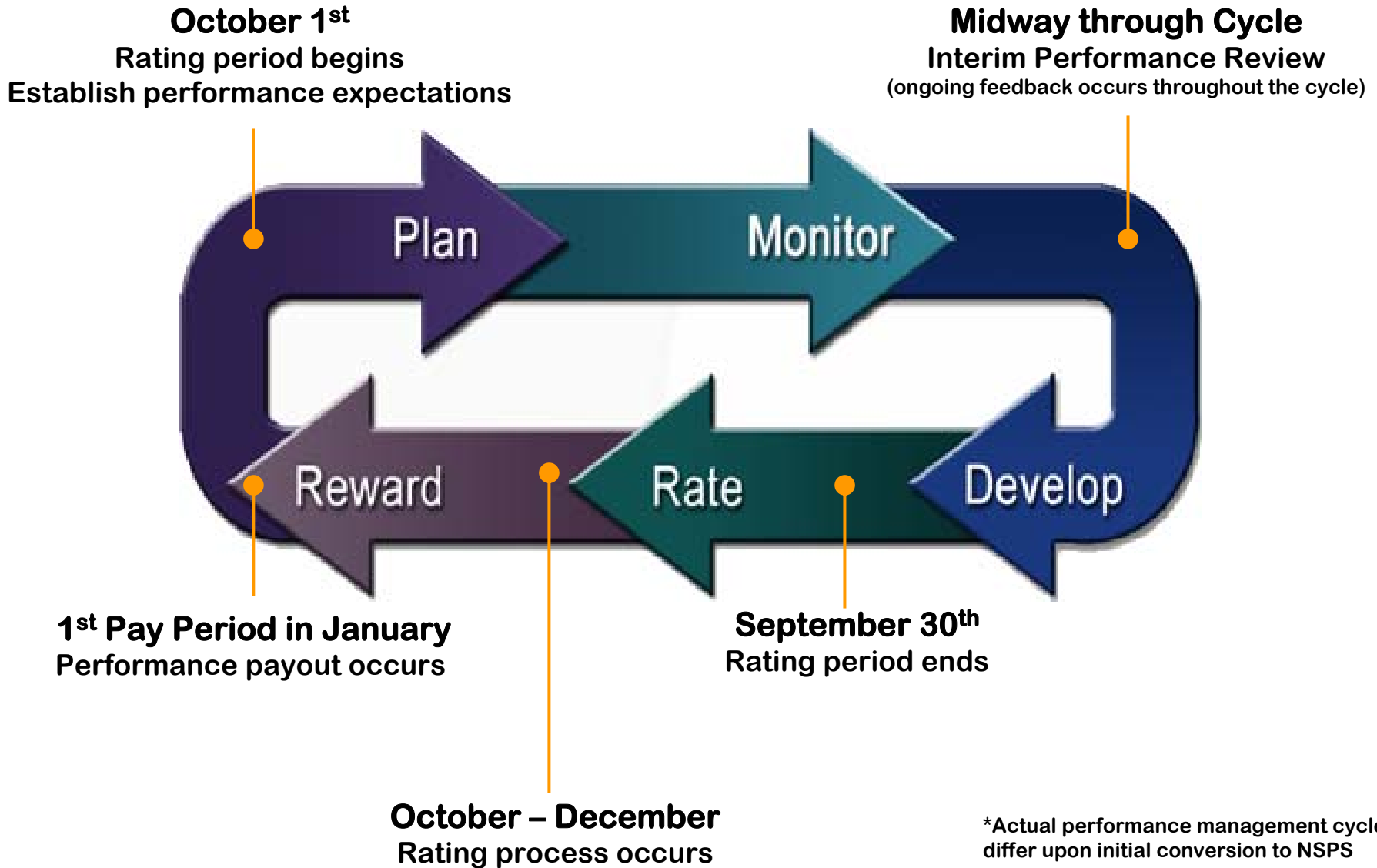


■ Core Characteristics

- Results-oriented, mission-focused
- Clear and understandable (fair, credible, and transparent)
- Direct link between pay and performance and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)

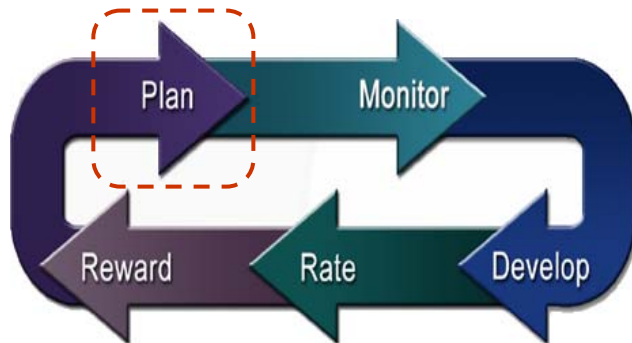
■ Design Improvements

- Job objectives – the “What” – are the primary focus
- Manner of performance – the “How” – influence the objective rating
- Simplified the design
- Supervisors are rated on at least one supervisory objective



■ Job Objectives = “What”

- Written jointly by employee and supervisor
- Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments
- Draw a line of sight between the employee’s work, the work unit’s goals, and the organization’s success
- Results-oriented and mission-focused
- Appropriate for current salary and pay band
- May be weighted
- Written in the “SMART” framework



■ “Smart” Objectives

S Specific

M Measurable

A Aligned

R Realistic/Relevant

T Timed

■ Contributing Factors = “How”

- Selected for each objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by “work behaviors” and “benchmark descriptors”
- Standard across DoD
- Described at the “solid” and “superior” level

Technical Proficiency

Critical Thinking

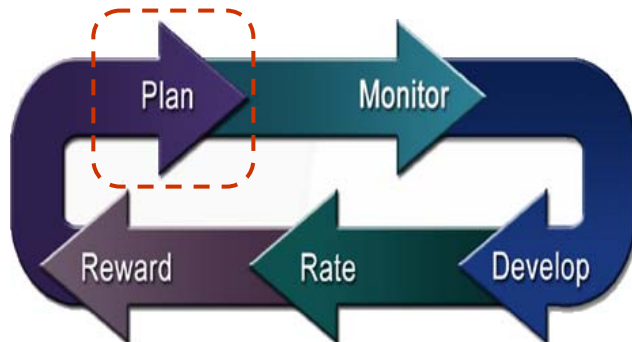
Cooperation and Teamwork

Communication

Customer Focus

Resource Management

Leadership



Technical Proficiency Contributing Factor Professional and Analytical Pay Schedule - Pay Band 2

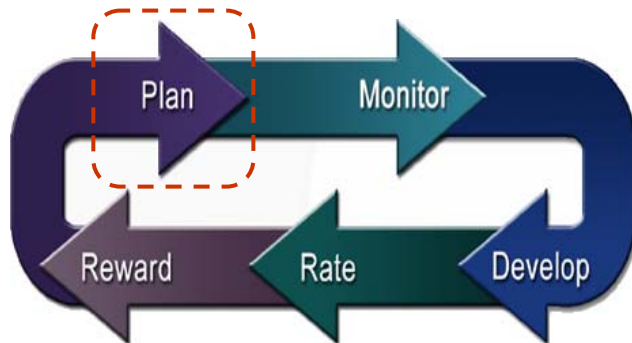
Solid

- Applies substantive knowledge and skills (including use of appropriate technology or tools) to independently perform a full range of assignments, including moderately complex work activities; seeks occasional guidance as appropriate.
- Acquires, develops, and maintains relevant job skills through a variety of methods.
- Stays up-to-date in professional/technical specialties and applies this knowledge to improve own performance and contribute to work unit performance.
- Demonstrates a thorough understanding of the organization's mission, functions, values, applicable policies and procedures, and internal and external factors that affect the organization; seeks out opportunities to use this knowledge constructively to contribute to organizational objectives and priorities.

Superior

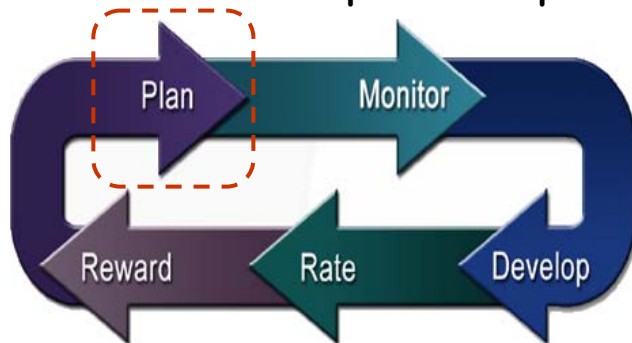
Additions at the Superior level:

- Applies depth and breadth of knowledge to independently perform well on the most complex or varied assignments at this level.
- Takes initiative to improve technical knowledge and skills through a variety of self-directed development activities, resulting in an increased ability to contribute to the mission.
- Is frequently consulted by others because of depth and/or breadth of understanding of the organization and the internal and external factors that affect it;
- Seeks out and capitalizes on opportunities to use this knowledge to contribute to organizational goals and outcomes.

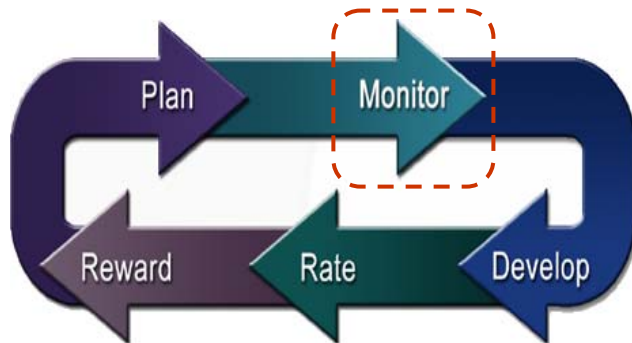


■ Supervisory Job Objectives

- At least one supervisory job objective is mandatory for every supervisor
- Holds supervisors accountable for carrying out their supervisory responsibilities, including:
 - ✓ Clearly communicating performance expectations and holding employees responsible for accomplishing them;
 - ✓ Making meaningful distinctions among employees based on performance and contribution;
 - ✓ Fostering and rewarding excellent performance;
 - ✓ Addressing poor performance;
 - ✓ Assuring that employees are assigned a rating of record when required; and
 - ✓ Adhering to laws and regulations governing merit systems principles, prohibited personnel practices, and equal employment opportunity.

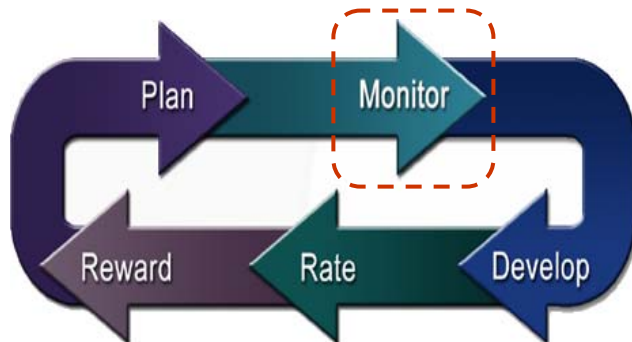


- **Ongoing Feedback and Dialogue**
 - Acknowledge accomplishments
 - Reinforce positive behaviors
 - Anticipate and address difficulties
 - Remedy shortfalls
- **Interim Review**
 - Required at least once during the performance management cycle; should be informative and developmental
 - Check progress toward objectives, making necessary adjustments
- **Closeout assessments as necessary**



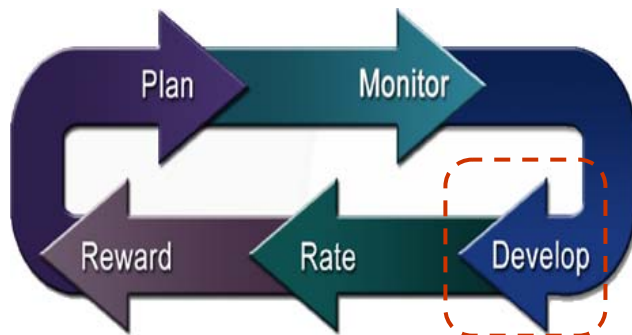
■ Performance deficiencies:

- May be addressed at any time during the appraisal period
- May be addressed through a range of options including:
 - ✓ Remedial training
 - ✓ Improvement period
 - ✓ Reassignment
 - ✓ Adverse action



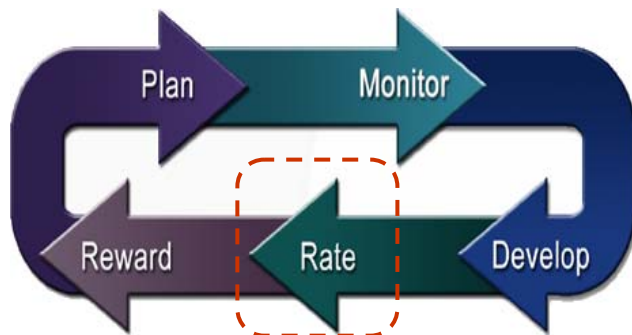
■ Employee Development

- Meaningful performance-related discussion
- Mentoring, coaching
- Classroom training
- Participation in process improvement teams
- Details/reassignments

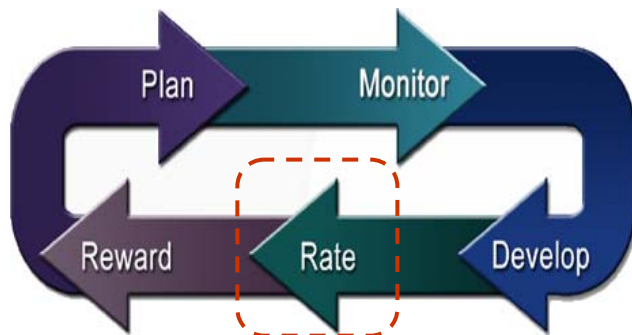


■ Minimum period of performance

- Employees must be employed in an NSPS position and performing under an approved NSPS performance plan for 90 days during the current appraisal period
- Employees who have performed the minimum period will be issued a rating of record
- Rating period may be extended beyond standard cycle in limited circumstances

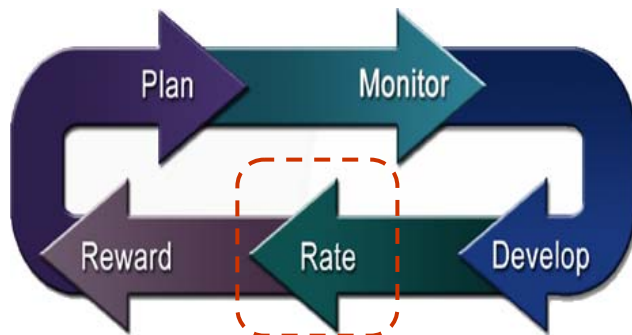


- **Early Annual Recommended Rating of Record**
 - Within 90 days of the close of the appraisal period
- **Special Purpose Rating of Record**
 - Does not affect current pay
 - Only applicable to employees with a rating of record Level 1 who improve performance
 - Becomes the current rating of record for the remainder of the appraisal period
 - Special purpose ratings subject to same pay pool process as end of appraisal period ratings
 - May occur during the appraisal period



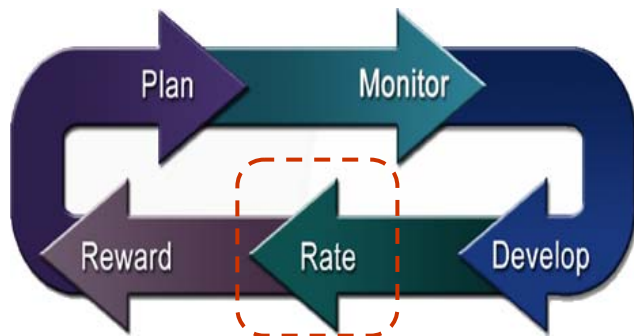
■ End-of-Year Performance Assessments

- Employee self-assessment
- Supervisory assessment



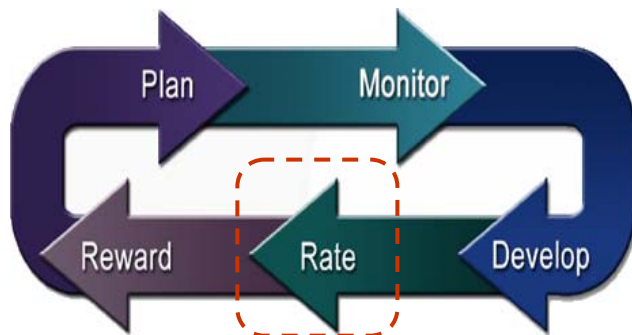
■ Employee self-assessment

- Provides an opportunity for the employee to describe their accomplishments relative to performance expectations, including job objectives and associated contributing factors, organizational mission and goals, team goals, etc.
- Input will assist the rating official in evaluating more fully the employee's performance and results of that performance
- To facilitate completing the self-assessment, employees are encouraged to maintain a record of their performance throughout the appraisal period



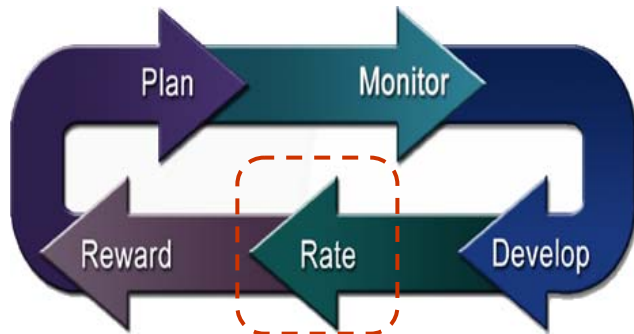
■ Supervisory Assessment

- Rating official must prepare a narrative assessment describing the employee's accomplishments and contributions to the organization relative to his or her performance expectations, including an assessment of job objectives and associated contributing factors
- Employee self-assessment and other input will assist the rating official in evaluating more fully the employee's performance and results of that performance



■ Rating Performance

- Each job objective is evaluated based on the employee's accomplishments relative to the employee's stated objectives and measures and the application of the appropriate **performance indicators** for the pay band.
- Rating official will assign rating (1-5) to each job objective



Performance Indicators

General descriptions of levels or thresholds of employee performance used to measure, evaluate, and score an employee's achievement of his/her job objective(s)

Performance indicators are provided at Level 3 and Level 5 for each pay schedule and pay band

Performance Indicators

Professional and Analytical Pay Schedule - Pay Band 2

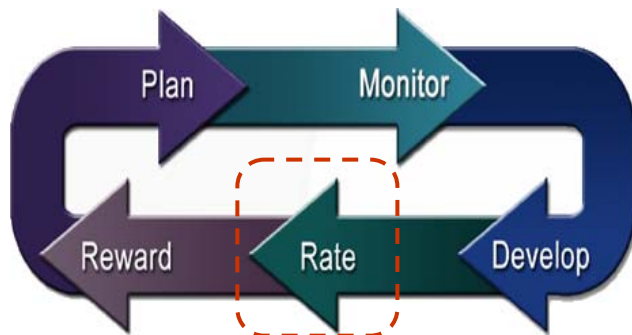
Level 3

- Completes work that supports mission-related objectives, anticipating and overcoming difficult obstacles by using established methods; ensures completed work is technically sound, accurate, thorough, documented, and meets applicable authorities, standards, policies, procedures, and guidelines.
- Plans, organizes, prioritizes, and schedules own work activities to complete assignments in a timely and effective manner and makes adjustments to respond to changing situations.
- Demonstrates a willingness to accept and execute new assignments and responsibilities.
- Demonstrates high standards of professional conduct and represents the organization effectively.

Level 5

Performs all the elements of Level 3 and:

- Achieves outcomes and results that are superior in quality, quantity, and/or impact to what would ordinarily be expected at this level.
- Persists in overcoming obstacles and puts forth extra effort to accomplish difficult assignments when demands are very heavy.
- Seeks out new responsibilities, assignments, and opportunities to contribute beyond what is expected.
- Exhibits the highest standards of professionalism.



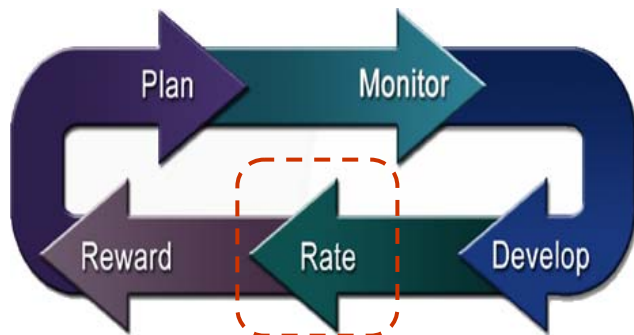


Rate Employee Performance

JOB OBJECTIVE RATING	DESCRIPTORS
5	Employee exceeded the assigned job objective at a level of performance equal to, or above, the Level 5 performance indicator
4	Employee exceeded the assigned job objective at a level of performance above the Level 3 performance indicator but below the Level 5 performance indicator
3	Employee met the assigned job objective at a level of performance equal to the Level 3 performance indicator
2	Employee met the assigned job objective at a level of performance below the Level 3 performance indicator or needed guidance and assistance beyond that described in the Level 3 performance indicator
1	Employee failed to achieve the assigned job objective or failed in the performance of a single assignment where such failure had a significant negative impact on accomplishment of the mission or where a single failure resulted in or could result in death, injury, breach of security, or great monetary loss
NR	Employee did not have an opportunity to perform the job objective because it became obsolete or could not be accomplished due to extenuating circumstances

■ Contributing Factor Assessment

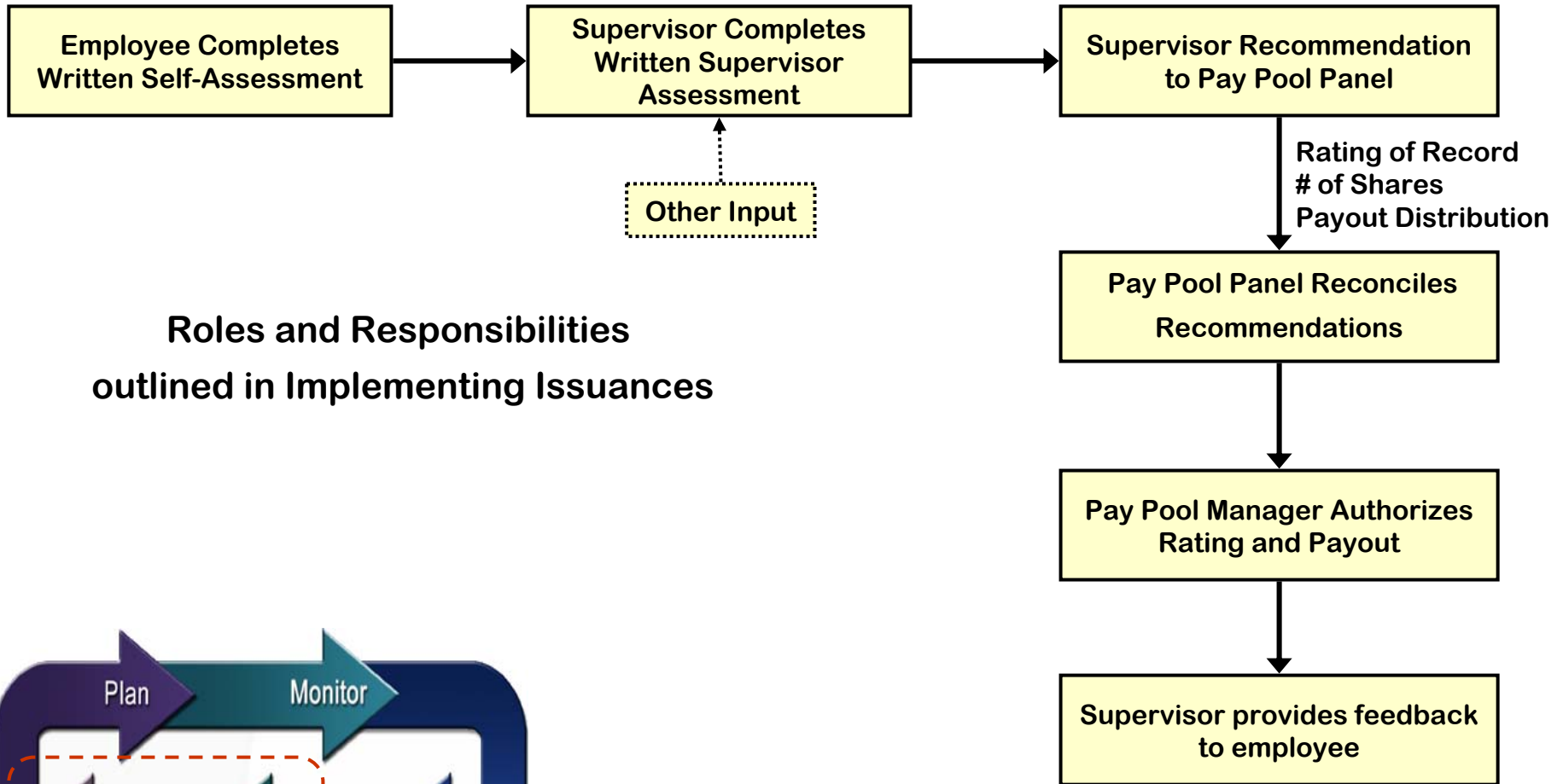
- Each job objective will be assessed using the selected contributing factor(s) and the applicable benchmark descriptors
- Contributing factors should be considered as a whole, or in the aggregate, as they apply to the job objective
- Job objective ratings may be adjusted only by a total of 1 point based on the assessment of the contributing factors



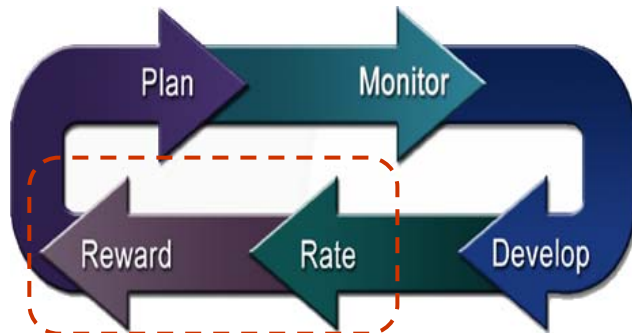
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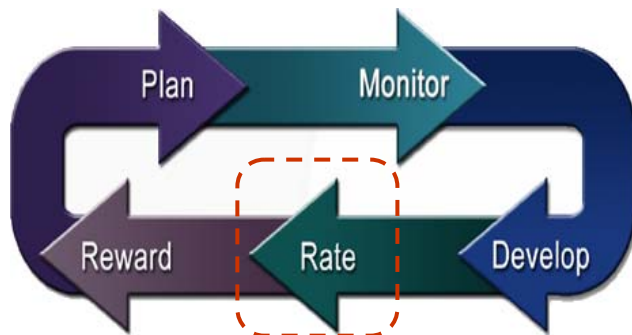
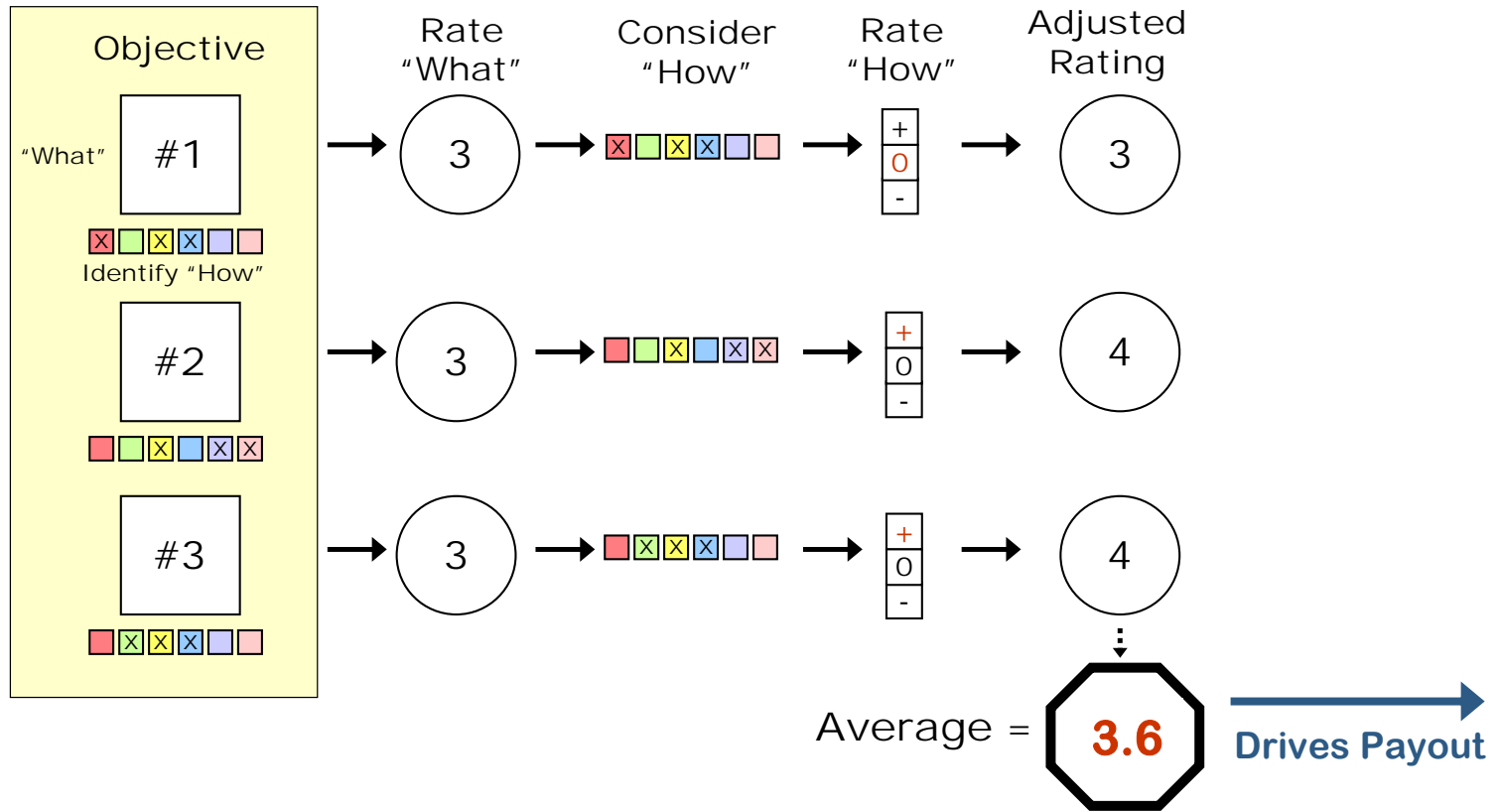
CONTRIBUTING FACTOR IMPACT	DESCRIPTORS
+1	In the execution/accomplishment of the assigned job objective, the employee demonstrated a manner of performance matching or exceeding the description provided in the Superior benchmark descriptor(s).
0 (Neutral)	In the execution/accomplishment of the assigned job objective, the employee demonstrated a manner of performance matching or exceeding the description provided in the Solid benchmark descriptor(s) but below that described by the Superior benchmark descriptor(s).
-1	In the execution/accomplishment of the assigned job objective, the employee demonstrated a manner of performance below the description provided in the Solid benchmark descriptor(s).

NSPS Performance Rating and Rewarding Process



Roles and Responsibilities
outlined in Implementing Issuances

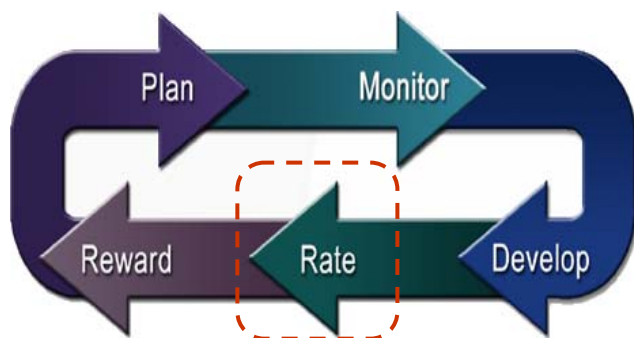




■ Recommended Rating of Record

- The recommended rating of record will be the rounded average of the adjusted ratings. When the average is .51 or higher, the rating is rounded up to the next higher whole number. When the average is .50 or lower, the rating is rounded down to the next lower whole number.

Average Rating Range	Rating of Record	Rating of Record Descriptor
4.51 to 5.00	5	Role Model
3.51 to 4.50	4	Exceeds Expectations
2.51 to 3.50	3	Valued Performer
2.00 to 2.50	2	Fair
1 on any objective	1	Unacceptable



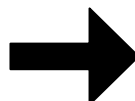


Reward Employee Performance

Performance Rating	Employees are eligible to receive...
5	<ul style="list-style-type: none">- Performance Based Pay- Rate Range Adjustments- Local Market Supplement Increases
4	
3	
2	<ul style="list-style-type: none">- Rate Range Adjustments- Local Market Supplement Increases
1	<ul style="list-style-type: none">- No Increases

Supervisor Recommends:

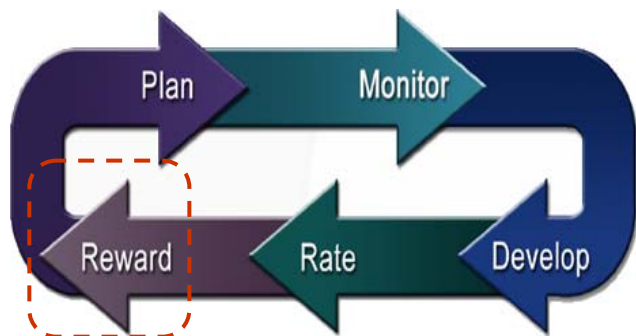
1. Performance rating
2. Number of shares *(value estimated)*
3. Split between salary and bonus



Pay Pool Panel:

1. Reconciles ratings and shares
2. Reconciles payouts
3. *Discuss with leadership to decide how best to handle resulting pay pool surplus or deficit*

Rating	Shares
5	5 – 6
4	3 – 4
3	1 – 2
2	0
1	0



- Share value = % of employee's salary
- Supervisors know an estimated value of a share prior to end of rating cycle
- Requires either the pay pool budget OR share value to be flexible

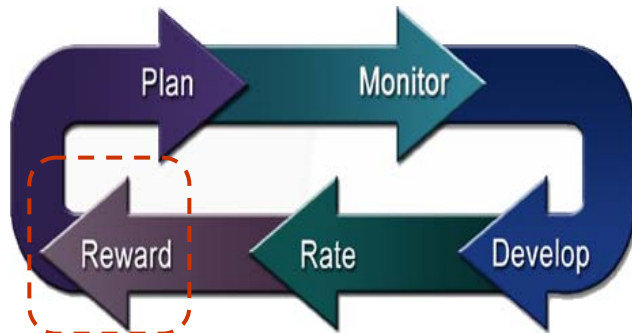
- **Considerations in Determining Share Assignment and Payout Distribution**
 - Current salary and level and complexity of work performed in comparison with others in similar work assignments;
 - Performance-based compensation received during the rating cycle associated with promotions, reassignments, or awards.
 - Local market salary levels of comparable occupations in private sector and other government activities;
 - Attrition and retention rates of critical shortage skill personnel;
 - Overall contribution to the mission of the organization
 - The need to stay within allocated funds
- **Components may issue guidance on payout proration**
- **All considerations must be consistent with Merit System Principles**

■ Performance Payouts

- An employee's performance payout is calculated by multiplying the employee's base salary at the end of the appraisal period by the share value % and then by the number of shares earned by the employee

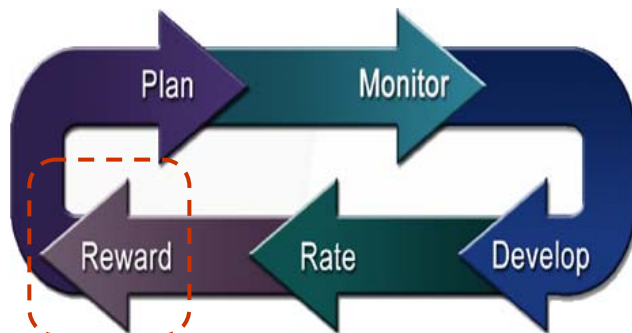
Employee Performance Payout = Base Salary X Share Value X Shares

Employee Performance Payout = Salary Increase + Bonus



■ Discretionary Performance Payouts

- Pay pool managers may use appropriate funding sources (not pay pool funds) to provide for discretionary performance payouts
- Recognizes extraordinary performance by individuals and teams/organizations
- Discretionary payouts can take following the form:
 - ✓ Extraordinary pay increase (EPI)
 - ✓ Accelerated compensation for developmental positions (ACDP)
[only for Pay Band 1 in select pay schedules]
 - ✓ Organizational/team achievement recognition (OAR)



■ Rating Reconsideration

- Employees can challenge their own rating of record
- Employees cannot challenge the performance payout, number of performance shares assigned, value of performance shares, or distribution of payout between increase and basic pay
- Two avenues to challenge a rating:
 - ✓ Administrative reconsideration procedure (available to all employees)
 - ✓ Negotiated Grievance procedure (available only to bargaining unit employees)

■ Major Design Changes:

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